

Fountain Creek ILF Program – Standing Meeting Notes



Date: 09/17/2026

Location: Microsoft Teams

Time: 1:00 PM

Attendees:

- Alli Scurich, FCWD
- Steve Rodriguez, FCWD
- Lucy Harrington, GEI Consultants
- Cole Russell, GEI Consultants
- Mark Shea, Colorado Springs Utilities
- Wendy Pettit, Pueblo County
- Dana Moses, Pueblo County
- Jessica Clayton, Stormwater Enterprise
- Jeff Rice, El Paso County

Agenda:

- I. Introductions of those present (if needed) and review and acceptance of previous meeting notes (Mark) (5 min).
 - a. *No new introductions needed.*
- II. Schedule and deliverable review for 2026-2027. (5 min) (Lucy)
 - i. *The Corps advised the Final ILF Instrument approval is anticipated after a third round of review in 2027 rather than December 2026.*
 - b. Will conduct site visits and update marketing plan after ILF Instrument submission to agencies (10/14).
 - i. *GEI continues refining the GIS-based screening and ranking model. Following submittal of the revised draft ILF Instrument, GEI will select top-ranked sites with input from the ILF Subcommittee, conduct site visits, evaluate landowner interest, and present recommended sites to the FCWD Board for approval prior to initiating detailed planning efforts.*
 - ii. *Lucy will update the schedule to include the site selection process.*
 - c. Need to schedule meetings into 2027
 - i. *The general ILF subcommittee October meeting was cancelled while agencies review the revised draft ILF Instrument. However, an optional October meeting will occur for those interested in site selection. December meetings are tentatively scheduled to review agency comments, if received by then. The ILF Subcommittee will likely continue through 2027 until a formal ILF Advisory Committee is established.*
 - d. ILF redline MUST be reviewed and all comments submitted by 9/29
 - i. *GEI will incorporate comments and submit the revised ILF Instrument to agencies by October 15, 2026. Agencies will have a 45-day review period. Comment response matrix is expected in December 2026, with revisions to*

- second round of ILF draft instrument anticipated to be submitted to the IRT in March 2027.*
- ii. *Alli will discuss scheduling a Board working session on the draft ILF Instrument at the upcoming FCWD Board meeting.*
- III. Updates on federal policy changes and implications, overview of conversations with NFF and North Carolina ILF, CDOT (Mark/Lucy – 10 min).
- a. WOTUS update (Lucy)
 - i. *The has Corps proposed updates to the definition of Waters of the U.S. (WOTUS), which potentially limit federal jurisdiction primarily to perennial streams.*
 - ii. *Potential impacts of these updates include reduced federal mitigation demand, greater importance of Colorado's state permitting program (Regulation 87), and a possible shift toward state-led mitigation requirements.*
 - b. Lessons learned – project implementation, credit pricing, site selection, endowments, FOIA/CORA, water rights (SB-270), administration dues, full delivery vs. consultant firms, design /build.
 - i. *The National Forest Foundation (NFF) ILF Program structure closely aligns with FCWD's proposed approach. Key takeaways from discussions with NFF include the use of direct credit sales, a 5% endowment allocation for each credit sold, and the use of a design-build delivery approach for future projects.*
 - ii. *The North Carolina ILF Program relies on NCDOT as an anchor credit purchaser. Their projects are primarily implemented by full-delivery mitigation providers and are supported by a significant administrative fee of 30% included in their advance credit pricing. While they offered useful examples, it may be difficult to replicate their program structure during initial program startup.*
 - c. CDOT conversation overview
 - i. *Transportation projects remain one of the primary future credit-purchasing sectors. Due to the anticipated demand, we have a strong interest in building relationships with CDOT Region 2. Follow-up discussions with CDOT are planned. Alli/Mark to schedule.*
 - d. Credit purchasing industries:
 - i. Transportation
 - ii. Development
 - iii. Water Infrastructure and waterways
- IV. Site selection prioritization Update (Lucy/Cole – 30 min)
- a. Information is proprietary – please be mindful of information sharing
 - b. Property data provided by Matrix from FMO has been incorporated
 - c. Draft model ran. Share of top results for one public and one private site (Note: only public site was in the FMO).
 - i. *Pueblo County Site (Arkansas River) – highly ranked site (score: ~12.5/13). Key attributes include large parcel (~236 acres), hydric soils and low slopes, floodplain connectivity potential, undecreed water features/ponds, and an adjacent conservation easement.*

1. *Need to evaluate water rights, diversions, access, and gain an understanding of Arkansas River stakeholder concerns.*
 - ii. *Fountain North Site – ranked highest (~12.8/13). This site was previously identified in FCWD ILF planning efforts. Site has strong potential for wetland re-establishment, floodplain reconnection, and high-flow channel restoration. Of the 106-acre parcel, approximately 21 acres has been identified for restoration.*
 - iii. *Additional site selection input:*
 1. *GEI will add diversion/headgate data to screening tools*
 2. *Continue incorporating local knowledge and stakeholder input alongside GIS rankings.*
 3. *Scalability, construction access, and willing landowners remain key criteria.*
- V. Update on Credit Pricing and Real-time Accounting Spreadsheet (Lucy – 25 min)
- a. Overview of contractor pricing request approach and date of delivery from contractors (Steve R.)
 - b. Walkthrough Proforma to date
 - i. All NFF ILF line items from their real cost accounting have been incorporated
 - ii. Contractor pricing will be incorporated once received
 1. *Contractor cost estimates are still being collected to refine project construction assumptions.*
 - iii. Long-term land management costing? Site specific or flat fee?
 1. The Nature Conservancy template (used by Palmer)
 2. North Carolina ILF uses flat fee
 - a. *Long-term management in our pro forma is currently modeled at approximately \$15,000 per year.*
 - iv. *Draft assumptions included in costs for conservation easement, interim monitoring and maintenance, water rights contingency funding, and endowment funding for long-term land stewardship.*
 - v. *The proposed advance credit pool increased from 10 to 15 credits minimum, with discussion of requesting up to 35 advanced credits from agencies.*
 - vi. *The preliminary financial model currently indicates an advance credit price of \$325,000, which include a 20% administrative fee required to sustain program management. The advance credit price may be refined as significant construction costs remain under review.*
 - vii. *Future discussion is needed on appropriate contingencies, escalation rates, and audit funding source (administrative fund vs. endowment vs. project fund).*
- Note: we must finalize pricing range by end of next ILF subcommittee meeting
- VI. Conservation Easement Template (Lucy – 10 min)
- a. Update on efforts to review/develop templates
 - i. *GEI has provided a template CE provided by Palmer for private lands and an MOA for public lands. FCWD is reviewing both documents.*
- VII. Revised Draft ILF Instrument Q&A (Lucy – 30 min)

- a. Audit Question (outstanding)
 - b. How many advance credits do we want to request from agencies?
 - i. Types of industries most commonly needing credits from FOIA?
 - 1. *Up to 35 advance wetlands credits and 2,700 stream credits will be from the agencies. These amounts are based on reviewed FOIA data.*
 - c. Open discussion with ILF members on questions they have found
- VIII. Next Steps (5 min)
- a. FCWD: Review ILF Instrument redline document by September 29 located on SharePoint. Any final questions/comments?
 - b. Finalize real cost accounting (aka pro forma spreadsheet to finalize credit pricing range) to insert into Instrument before submission to agencies on 10/15.
 - c. Incorporation of USFWS data.
 - d. Selected properties for site visits.
 - e. Intro to full delivery group (Naturion)
 - f. Outreach to landowners and partner groups.
 - i. ILF Practitioners meeting/roundtable – tentatively scheduled for October 29, 2026
- IX. Close